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STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
Land Division
Honolulu, Hawaii 96813

July 14, 2006

Board of Land and Natural Resources
State of Hawaii
Honolulu, Hawaii

PSF No.: 06HD-115

Hawaii

Cancellation of Revocable Permit No. S-7156 to S & S Dairy, Inc. and Issuance of Month-to-Month Revocable Permit to Richard E. and Donna Lee Souza, dba R & D Farm. for Pasture Purposes; Poupouwela, Ka'u Hawaii, TMK: 3rd/9-5-12:02.

APPLICANT:

S & S Dairy, Inc., a Hawaii corporation whose business and mailing address is P.O. Box 30 Naalehu, Hawaii 96772, and Richard E. and Donna Lee Souza, dba R & D Farm.

LEGAL REFERENCE:

Sections 171-13 and -55, Hawaii Revised Statutes, as amended.

LOCATION:

Portion of Government lands at Poupouwela, Ka'u Hawaii, identified by Tax Map Key: 3rd/9-5-12:02, as shown on the attached map labeled Exhibit A.

AREA:

152.16 acres, more or less.

ZONING:

State Land Use District:	Agriculture
County of Hawaii CZO:	A20-A, 20 acre agriculture

TRUST LAND STATUS:

Section 5(b) lands of the Hawaii Admission Act
DHHL 30% entitlement lands pursuant to the Hawaii State Constitution: NO

CURRENT USE STATUS:

Encumbered.

CHARACTER OF USE:

Pasture use.

July 14, 2006

COMMENCEMENT DATE:

The first day of the month to be determined by the Chairperson.

MONTHLY RENTAL:

\$64.00 per month. This rent was reconfirmed by the Board at its meeting of November 18, 2005 under agenda item D-17. (Exhibit B)

COLLATERAL SECURITY DEPOSIT:

Twice the monthly rental.

CHAPTER 343 - ENVIRONMENTAL ASSESSMENT:

In accordance with the "Division of Land Management's Environmental Impact Statement Exemption List", approved by the Environmental Council and dated April 28, 1986, the subject request is exempt from the preparation of an environmental assessment pursuant to Exemption Class No. 1, that states "Operations, repairs or maintenance of existing structures, facilities, equipment or topographical features involving negligible or no expansion or change of use beyond that previously existing."

DCCA VERIFICATION:

Not applicable as individuals are not required to register with the DCCA.

REMARKS:

At its meeting of June 5, 1998, under agenda item D-33 the Board consented to Revocable Permit No. S-7156 issued to S & S Dairy, Inc. for pasture purposes. The dairy operation had been utilizing the State land as well as the surrounding private lands owned by C. Brewer & Company, Inc. The private lands were subsequently sold off and the new owners no longer wanted cattle grazing on their property. This action along with the loss of other fee lands the dairy was leasing facilitated the closing of S & S Dairy, Inc.

As a result of the closing of S & S Dairy, Inc. the continued day-to-day cattle operation in the Ka'u district previously under the management of S & S Dairy, Inc., has been taken over by Richard E. and Donna Lee Souza, dba R & D Farm.

The applicants maintain a cattle operation on the adjacent fee land (TMK: 3rd/9-5-11:03) owned by Mr. Souza's parents. They wish to continue utilizing the State lands for pasture purposes in the raising of beef cattle and plan to maintain and improve existing fence lines and paddocks.

Staff is recommending the Board cancel Revocable Permit No. S-7156 to S & S Dairy, Inc. and issue a new permit to Richard E. and Donna Lee Souza, dba R & D Farm.

July 14, 2006

RECOMMENDATION: That the Board:

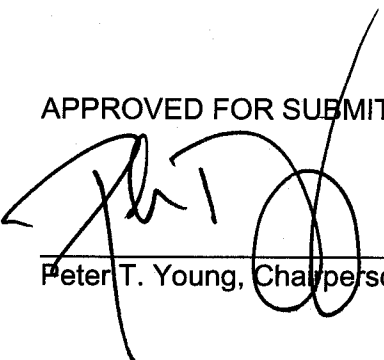
1. Declare that, after considering the potential effects of the proposed disposition as provided by Chapter 343, HRS, and Chapter 11-200, HAR, this project will probably have minimal or no significant effect on the environment and is therefore exempt from the preparation of an environmental assessment.
2. Authorize the cancellation of Revocable Permit No. S-7156 to S & S Dairy, Inc. and issuance of month-to-Month Revocable Permit to Richard E. and Donna Lee Souza, dba R & D Farm covering the subject area for pasture purposes under the terms and conditions cited above, which are by this reference incorporated herein and further subject to the following:
 - a. The standard terms and conditions of the most current revocable permit form, as may be amended from time to time;
 - b. Applicant shall apply as a cooperator with the Ka'u Soil and Water Conservation District within thirty (30) days from the effective date of this permit;
 - c. Review and approval by the Department of the Attorney General; and
 - d. Such other terms and conditions as may be prescribed by the Chairperson to best serve the interests of the State.

Respectfully Submitted,



Gordon C. Heit
Land Agent

APPROVED FOR SUBMITTAL:

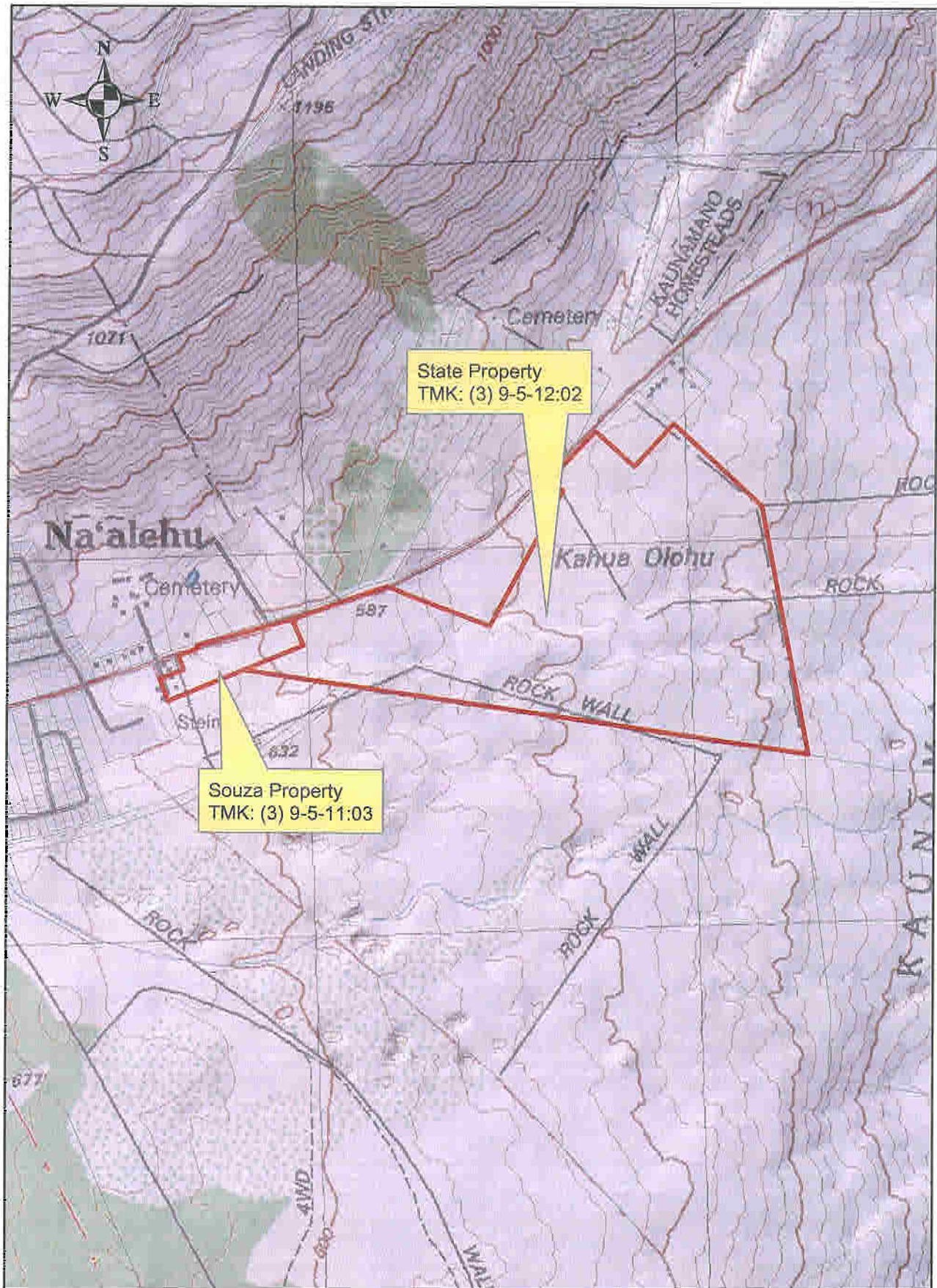


Peter T. Young, Chairperson

TMK: 3RD/9-5-12:02

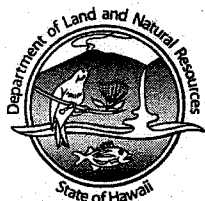


RP S-7156



0 400 800 1,600 2,400 3,200 Feet

LINDA LINGLE
GOVERNOR OF HAWAII



STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
LAND DIVISION

POST OFFICE BOX 621
HONOLULU, HAWAII 96809
November 30, 2005

EXHIBIT B

PETER T. YOUNG
CHAIRPERSON
BOARD OF LAND AND NATURAL RESOURCES
COMMISSION ON WATER RESOURCE MANAGEMENT

ROBERT K. MASUDA
DEPUTY DIRECTOR

DEAN NAKANO
ACTING DEPUTY DIRECTOR - WATER

AQUATIC RESOURCES
BOATING AND OCEAN RECREATION
BUREAU OF CONVEYANCES
COMMISSION ON WATER RESOURCE MANAGEMENT
CONSERVATION AND COASTAL LANDS
CONSERVATION AND RESOURCES ENFORCEMENT
ENGINEERING
FORESTRY AND WILDLIFE
HISTORIC PRESERVATION
KAHOOLAWE ISLAND RESERVE COMMISSION
LAND
STATE PARKS

S & S DAIRY, INC.
P.O. BOX 30
NAALEHU, HI 96772

Dear Permittee:

Subject: Revocable Permit No. 7156

We are writing to notify you of the **continuation** of your Permit on a month-to-month for an additional year up to **December 31, 2006**.

On November 18, 2005, the Board of Land and Natural Resources, under agenda item D-17, approved staff's recommendation and stipulated that **your rent will remain at \$64 per month**. The Board, however, reserved the right at any time to review and reestablish new rental charges for any revocable permit to reflect market conditions or the fair market rental for the rights and privileges granted by such revocable permit. Therefore, during the additional year up to December 31, 2006, please understand that your Permit rent is subject to review.

If you have any questions regarding the above, please feel free to contact Cyrus Chen, Appraisal Manager at 587-0409. Thank you.

Sincerely,


Russell Y. Tsuji
Administrator

cc Land Board Member
Central Files
District Files

RECEIVED
LAND DIVISION
HILO, HAWAII

Ref: RP 7156

2005 DEC 14 1 P 12: 40